

TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

SUBJECT: Alternative Investments -
Urban Private Equity Discussion Panel

ITEM NUMBER: 4

ATTACHMENT(S): 1

ACTION: _____

DATE OF MEETING: October 2, 2002

INFORMATION: X

PRESENTER(S): Réal Desrochers

At the July 10, 2002 Investment Committee Meeting, staff was requested to organize a panel discussion addressing Urban Private Equity.

McKinsey & Company, represented by Michael Bender and Melissa Ma, and Anne Habiby of the Initiative for a Competitive Inner City will provide comments on this issue. A profile of each presenter is included as Attachment 1.

Michael W. Bender

Michael Bender is a Director in the San Francisco Office and has been with McKinsey & Company since 1989. He currently leads McKinsey's West Coast Financial Institutions Practice and has done significant work in retail banking, asset management, life insurance, property and casualty insurance, wholesale banking, and health care payment/provision. Michael is also a co-leader of McKinsey's North American Financial Institutions Information Technology and Operations Practice. Sample recent engagements include:

- Working with the California Employees' Public Retirement System, the largest pension fund and institutional manager in the U.S., to develop a new \$500 million initiative to invest in underdeveloped markets
- Advising a top 20 U.S. public pension fund on the development of its alternative investment strategy and performance of due diligence on potential strategic partnership transactions
- Evaluating the acquisition of a large U.S. multi-line P&C carrier for a U.S.-based investor group
- Developing a long-term mortgage banking strategy – across all functions – utilizing an economic value-added approach for a major U.S. bank
- Redesigning the top-team organization and management processes – e.g., planning/budgeting and people management – for a leading asset manager
- Evaluating the acquisition and growth of a primary care physician organization (“the McDonald's of Primary Care”) for a U.S.-based LBO firm
- Redesigning the top-team organization and management processes, e.g., strategy, setting, planning/budgeting and people management - for a leading asset manager
- Developing a strategy for a major retail asset manager to rapidly grow the institutional asset management market
- Identified potential buyers for a California-based thrift as well as valuation ranges for different buyers

Prior to joining McKinsey, Michael worked with Oliver, Wyman & Company, a New York based consulting firm focused on financial institutions. He holds an M.Phil in Economics from Oxford University, where he studied as a Marshall Scholar, and a B.A. in Economics from Harvard College.

Melissa J. Ma

Melissa Ma is an Associate Principal in the San Francisco Office of McKinsey & Company. She is currently a leader of McKinsey's Institutional Investor Practice, the West Coast Financial Institutions Practice and the North American Private Equity Practice.

In her role at McKinsey, Melissa has served leading institutional investors and financial institutions on issues of strategy, organization, operations, investments, and corporate finance. Examples of her recent experience include:

- Working with one of the United States' largest pension funds and institutional manager to develop a new \$500 million initiative to invest in underdeveloped markets. She led the feasibility assessment, investment strategy planning, and the execution of the partner selection process
- Helping one of the largest U.S. public pensions develop their investment strategy for the alternatives asset class and perform due diligence on potential strategic partnership transactions
- Leading an effort at a leading North American pension fund to refine their overall private equity strategy, restructure their fund portfolio, and consider innovative partnership and fund options for future investments
- Assisting the membership of a premier investor association to “formalize” their organization. She led the effort to define their mission, board structure, financing plan, by-laws, and membership services
- Leading a yearlong effort to define the corporate strategy, she helped lead a series of teams that developed individual business initiatives across the bank

Before joining McKinsey, Ms. Ma was employed by Goldman, Sachs & Co. in New York. As a member of the Investment Banking division's Financial Institutions Group, she planned and executed financing and merger transactions for international banks, insurance, and finance companies.

Melissa received an M.B.A. with Distinction from Harvard Business School and holds a B.A. in economics and East Asian studies, *magna cum laude*, from Harvard University.

Anne S. Habiby

Anne S. Habiby is Co-Executive Director of the Initiative for a Competitive Inner City (ICIC). Ms. Habiby joined ICIC in 1996 and co-leads the organization. Ms. Habiby oversees ICIC's research, strategy, consulting and communications efforts.

Ms. Habiby manages national research projects in partnership with The Boston Consulting Group and PricewaterhouseCoopers, and the ICIC-Inc. Magazine Inner City 100 – the first-ever listing of high growth inner-city companies. Additionally, Ms. Habiby provides guidance on ICIC's consulting practice. On behalf of ICIC, she also undertakes an extensive schedule of speaking engagements across the country.

Ms. Habiby has been involved in the field of finance and economic development since 1987. From 1992 to 1996, she was an investment banker in the Public Finance Department of Morgan Stanley & Co. Prior to joining Morgan Stanley, Ms. Habiby did her Ph.D. research at Cambridge University (UK) on the strategic use of government funds and regulatory powers to leverage private capital into distressed urban areas. Prior to graduate school, Ms. Habiby established a business brokering retail sales between Saudi women and American retail companies.

Ms. Habiby is a graduate of Barnard College/Columbia University in Economics. She earned a post-graduate Diploma in Development Studies at the University of Cambridge, England, and is completing her Ph.D. from the University of Cambridge.